

**REMARKS**

In view of the above amendments and discussion to follow, reconsideration and allowance of this application are respectfully requested.

Applicant affirms the election of Invention II, claims 38-85, in response to the Examiner's restriction requirement.

**Statutory Subject Matter**

Claims 38-85 were rejected under 35 U.S.C. 101 as reciting non-statutory subject matter. In accordance with the court's holding in *In re Bilski*, No. 2007-1130, slip op at 119 (Fed. Cir. Oct. 30, 2008), a process is statutory under 35 U.S.C. 101 if it (1) is tied to another statutory class such as a particular apparatus or (2) transforms underlying subject matter to a different state or thing. Independent claims 38 and 49 have been amended to recite the activation of a carryable funds-access device in response to a recipient presenting a funds-access code to a distributor. Support for these amendments is found at least in dependent claims 41 and 52. Independent claims 60 and 73 have been amended to recite accessing the funds utilizing an activated carryable funds-access device. Support for these amendments is found at least in dependent claims 64 and 77. As such, the claimed invention of the present application, a secure transfer of funds, is now tied to a particular apparatus, a carryable funds-access device.

Moreover, independent claims 38, 49 and 73 each recite creating and storing a carryable funds-access device record representing the activated carryable funds-access device in a central database, the carryable funds-access device and the database being part of the claimed underlying structure of the present invention. As such, the underlying subject matter of the

present application is transformed as carryable funds-access devices are enabled and data records representing the funds-access devices are appended to a central database.

In view of the foregoing, it is submitted that the claimed invention as recited in independent claims 38, 49, 60 and 73, and all claims dependent thereon, represents statutory subject matter. It is therefore requested that the rejection of the claims under 35 U.S.C. 101 be withdrawn.

Independent Claims

Claims 38-85 were rejected under 35 USC 103(a) as being unpatentable over Walker et al. ("Walker") (US Patent 6,163,771) in view of Gifford (US Patent 6,049,785). As stated above, independent claims 38 and 49 have been amended to recite "activation of a carryable funds-access device in response to a recipient presenting a funds-access code to a distributor." Independent claims 60 and 73 have been amended to recite "accessing the funds in the account utilizing an activated carryable funds-access device." It is submitted that the cited references do not, either independently or in combination, disclose or suggest the added features mentioned above as recited in amended independent claims 38, 49, 60 and 73.

The cited references do not, either individually or in combination, disclose or suggest activation of a carryable funds-access device in response to a recipient presenting a funds-access code to a distributor. The Examiner acknowledges that Walker does not disclose this feature. (Office Action, page 4, lines 21-22). Gifford discloses a system for purchasing goods or information over a computer network in which authentication is obtained from a card containing a list of one-time authorization strings. (Col. 11, Lines 29-41). In operation, the user is queried for a transaction identifier that is the next string from a physical list of one-time authorization

strings, the user crossing strings off of the card as they are used. The supplied authorization string is subsequently checked against the next expected string from the sender using a database holding a list of random authorization strings for each sender or a sender specific secret key that was used to generate the list of authentication strings. Therefore, while Gifford does disclose supplying a user with a card containing a list of one-time authorization strings used for authenticating network based purchases, it does not disclose or suggest activation of a card or other type of device in response to the presentation of a code as recited in applicant's amended independent claims.

The cited references also do not, either individually or in combination, disclose or suggest accessing transferred funds in an account utilizing an activated carryable funds-access device. As noted by the Examiner, Figures 11A and B of Walker describe the operation performed by a credit card issuer's central controller to generate an authorization code. This operation comprises a cardholder providing a merchant with a single-use credit card number (1101), the merchant transmitting the credit card number and the transaction amount to the credit card issuer (1102), the issuer confirming the credit card number and the cardholder's approval criteria (1103-1121), and the issuer generating and transmitting an authorization code back to the merchant (1123). Upon receiving the authorization code, the merchant delivers a good or service to the cardholder who originally generated the single-use credit card number and subsequently will use the authorization code to collect funds from the credit card company. Therefore, while Walker does disclose an authorization code supplied to a merchant to complete an authorized transaction, it does not disclose or suggest the merchant using an activated carryable funds-access device to collect the appropriate funds from the credit card company.

As discussed above, Gifford discloses a system for purchasing goods or information over a computer network in which authentication is obtained from a card containing a list of one-time authorization strings. As such, Gifford also does not disclose or suggest using an activated carryable funds-access device to collect funds. Therefore, neither Walker or Gifford, individually or in combination, discloses or suggests accessing transferred funds in an account utilizing an activated carryable funds-access device as recited in applicant's independent claims.

Moreover, it is submitted that because the cards disclosed in Gifford and Walker are analogous, Gifford cannot provide disclosure of those features recited in applicant's amended claims and missing from Walker. The cited references each disclose a card which provides some form of authorization code without disclosing either activating a carryable funds-access device in response to a recipient presenting a funds-access code or accessing transferred funds in an account utilizing an activated carryable funds-access device. Therefore, Gifford also does not provide disclosure of those features recited in applicant's independent claims and missing in Walker.

In view of the foregoing, claims 38, 49, 60 and 73, and all claims dependent thereon, are not obvious in light of the combination of Gifford and Walker. It is therefore requested that the rejection of claims 38-85 under 35 U.S.C. 103(a) be withdrawn.

Dependent Claims

In addition, various dependent claims recite features that are neither shown nor suggested in the cited prior art.

Claims 39, 50, 61 and 74 recite the that financial instrument is an instrument representative of a funds-transfer. Walker discloses a method and a device to facilitate secure

electronic commerce which requires the beneficiary (vendor) to supply a good or service to the customer. Hence, Walker does not disclose or suggest a method in which the beneficiary, once in possession of a funds-access code, does not interact with the customer as in the secure funds-transfer method recited in the independent claims of the present invention.

Claims 40, 51, 62 and 75 recite that the financial instrument is a check and the funds-access code is a check number. The Examiner asserts that the process in Walker is analogous to using a check number (Office Action, page 5, lines 8-11). Whether or not a check number is analogous is not determinative of whether one would find it obvious to modify Walker so that a check is used as the financial instrument and the code is the check number. In fact, given the teachings of Walker, employing a check in Walker is contrary to its teaches and would defeat the described benefits of using the smart card in this cited reference.

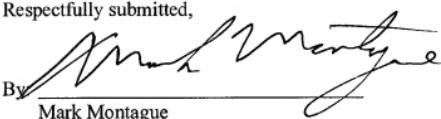
Claims 43, 54, 67 and 80 recite the funds-access device is an ATM card and the personal code is a corresponding PIN, and the step of accessing the funds is carried out by the recipient supplying the ATM card and the PIN to an automatic teller machine. Walker, as well as Gifford, is completely devoid of any use or mention of an ATM card that is then utilized via use of the Pin to access funds.

Claims 44 and 68 recite that accessing the funds is carried out by the steps of the recipient requesting a designated amount of cash, dispensing the requested cash by the automatic teller machine, and updating the financial instrument associated with the funds to reflect dispensing of the designated amount of cash to the recipient. As discussed above, Walker does not disclose or suggest the recipient (vendor) using an automatic teller machine.

New Claim 88 depends from claim 38 and recites that accessing the funds comprises supplying to the recipient the funds in the form of cash. It is submitted that neither of cited art is at all concerned with supplying cash to a recipient. The allowance of claim 88 is solicited.

In light of the foregoing, reconsideration and allowance of this application are respectfully requested.

Respectfully submitted,

By   
Mark Montague  
Reg. No. 36,612

COWAN, LIEBOWITZ & LATMAN, P.C  
1133 Avenue of the Americas  
New York, New York 10036-6799  
(212) 790-9200